

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
POWER COMPANY FOR APPROVAL OF A)	
CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY FOR ENVIRONMENTAL)	CASE NO.
PROJECT CONSTRUCTION AT THE)	2021-00004
MITCHELL GENERATING STATION, AN)	
AMENDED ENVIRONMENTAL COMPLIANCE)	
PLAN, AND REVISED ENVIRONMENTAL)	
SURCHARGE TARIFF SHEETS)	

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
TO KENTUCKY POWER COMPANY

Kentucky Power Company (Kentucky Power), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested herein is due on June 2, 2021. The Commission directs Kentucky Power to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085¹ regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency. All responses in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky Power shall make timely amendment to any prior response if Kentucky Power obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Kentucky Power fails or refuses to furnish all or part of the requested information, Kentucky Power shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kentucky Power shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. In an April 22, 2021 earnings call covering, the first quarter of 2021, American Electric Power Co., Inc. (AEP) Chairman Nicholas K. Akins stated, "regarding our efforts regarding portfolio management, we now will announce an ongoing strategic review of our Kentucky assets. We expect to complete this review during 2021. As we

have mentioned before and as for all practical purposes, we are a fully regulated utility, we're now focused on portfolio optimization and capital allocation prioritization to address future capital needs with balance sheet expectations while improving shareholder value. So more to come in the future regarding this review." Additionally, in response to a reporter's question, Chairman Akins said about Mitchell Generating Station (Mitchell), "[Mitchell] still has value, it still has years to operate."

a. Explain whether the strategic review process has affected Kentucky Power's proposal to construct projects to comply with both the Coal Combustion Residuals (CCR) Rule and the Effluent Limitation Guidelines (ELG).

b. Explain what steps AEP and Kentucky Power have undertaken to date in the strategic review.

2. Refer to West Virginia Public Service Commission Case No. 20-1040-E-CN,² the direct testimony of Christian T. Beam, pages 6–7, which states that performing the CCR compliance work and retiring Mitchell in 2028 is a slightly better alternative than performing CCR and ELG compliance work, and that an option to perform only the CCR compliance work and replace a portion of the retired Mitchell capacity with a portion of Appalachian Power Company's excess capacity in 2028 results in savings of approximately \$27 million annually from 2029 to 2040 for Wheeling Power Company's West Virginia customers. Also refer to Kentucky Power's response to Commission Staff's First Request for Information, Item 3, which states that, without knowing how the Kentucky and West Virginia Commissions will decide the respective proceedings, Kentucky Power

² West Virginia Public Service Commission Case No. 20-1040-E-CN, *Application for the Issuance of a Certificate of Public Convenience and Necessity for the Internal Modifications at Coal Fired Generating Plants Necessary to Comply with Federal Environmental Regulations* (filed Dec. 23, 2020).

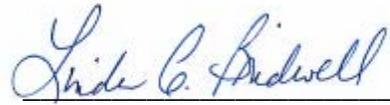
is unable to anticipate how it might resolve conflicting decisions regarding the alternative proposals for environmental compliance at Mitchell.

a. Given that Wheeling Power Company identified performing CCR-only environmental compliance projects as providing greater savings for its customers and Kentucky Power recommended performing both CCR and ELG compliance projects, describe the options that Kentucky Power has discussed internally within Kentucky Power, with AEP, and with Wheeling Power Company to address conflicting decisions regarding the alternative proposals for environmental compliance at Mitchell.

b. Provide copies of any documents related to internal discussions by Kentucky Power and AEP regarding potential options to address the conflicting cost and benefit impact of the alternative proposals for environmental compliance at Mitchell.

c. Explain how and the extent to which the potential sale of Kentucky Power is being incorporated into the strategic review. Include in the explanation whether Kentucky Power could be sold without the Mitchell station assets.

3. Provide the expected date for the West Virginia Public Service Commission to issue an Order in Case No. 20-1040-E-CN, and state whether the expected issuance date is a statutory or regulatory due date, or whether the date was established pursuant to a request by Wheeling Power Company.



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DATED MAY 17 2021

cc: Parties of Record

Case No. 2021-00004

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